



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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April 21, 1998

TO: D. Wayne Hedberg, Permit Supervisor

FROM: Anthony A. Gallegos, Reclamation Engineer *aa*

RE: Review of Proposed Amount of Interim Reclamation Surety, Tintic Utah Metals, LLC, Burgin Mine Project, M/049/009, Utah County, Utah

I have reviewed the reclamation estimate calculations submitted in the April 17, 1998 Interim Bond Reduction Request prepared by Tom Gast on behalf of Tintic Utah Metals (copy attached). Based on my review, the \$350,000 interim surety amount would be acceptable to the Division with the understanding that the final surety amount may be higher or lower.

Table 1 of this submission estimates the current disturbance at the site as 66.6 acres. This would average out to be approximately \$5,255/acre which is above the usual interim surety dollar per acre amount used by the Division. The \$350,000 interim surety amount is based on costs from the Division's 1984 reclamation estimate. These costs have been adjusted to current dollars using actual escalation factors from 1984 to 1997, and then projected five years into the future. The interim surety amount is less than the current \$737,000 amount of surety posted with the Division due to: (1) actual escalation between 1984 and 1995 being less than 6.78% per year; (2) the omission of a surety amount for the Trixie Mine area because this area is not part of this permit proposal; (3) the omission of a surety amount for the Hunter Shaft because this proposed facility was never constructed; (4) the omission of a surety amount for the Burgin Tailings Pond because this proposed facility was never constructed (this is not the existing old tailings pond system).

attachment: Interim Bond Reduction Request April 17, 1998  
m49-09ib.mem